

Message Text

LIMITED OFFICIAL USE

PAGE 01 VIENTI 05198 031120Z

50

ACTION EA-14

INFO OCT-01 ISO-00 AGR-20 AID-20 CIAE-00 COME-00 EB-11

INR-10 LAB-06 NSAE-00 RSC-01 SIL-01 TRSE-00 CIEP-02

OMB-01 DODE-00 PA-04 USIA-15 PRS-01 SP-03 PM-07 FEA-02

IGA-02 IO-14 L-03 H-03 DRC-01 /142 W

----- 123102

P R 031048Z JUL 74

FM AMEMBASSY VIENTIANE

TO SECSTATE WASHDC PRIORITY 9762

INFO AMEMBASSY BANGKOK

LIMITED OFFICIAL USE VIENTIANE 5198

E.O. 11652: N/A

TAGS: ECON, LA

SUBJECT: WEEKLY ECONOMIC SITUATION REPORT: JUNE 26 - JULY 2,
1974

1. ALTHOUGH WHOLESALE PRICES OF THAI GLUTINOUS INCREASED 6 PERCENT, VIENTIANE RETAIL RICE PRICES REMAINED STEADY. HOWEVER, PRICE INCREASES IN PORK (DUE TO SHORT SUPPLY), FISH, SUGAR, AND SOME GARDEN VEGETABLES CAUSED A 2.9 PERCENT INCREASE IN THE USAID COST OF LIVING INDEX DURING THE WEEK. ON JULY 1 THE INDEX STOOD 35.7 PERCENT HIGHER THAN END 1973.

2. TOTAL FX DEMAND \$1.2 MILLION JUNE 24-28 UP \$400 THOUSAND FROM PREVIOUS WEEK. ANALYSIS OF COMPOSITION OF SALES DOES NOT INDICATE ANY CLEAR REASON FOR THE LARGE DEMAND SINCE SIGNIFICANT PERCENTAGE OF SALES AT 840 RATE WERE FOR UNSPECIFIED PURPOSES.

3. NEW ZEALAND TECHNICIANS ARRIVED TO ASSIST IN THE OPERATION OF THE NEW SLAUGHTERHOUSE. HOWEVER, THE IMMEDIATE PROBLEM IS THE SHORT SUPPLY OF SWINE WHICH HAS CAUSED AN INCREASE IN PORK PRICE OF ABOUT 16 PERCENT FOLLOWING START UP OF SOCIETE D' ECONOMIC MIXTE DES ABATTOIRS MODERNES (SEMAM) JUNE 20. PROBABLE

LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 02 VIENTI 05198 031120Z

REASON FOR THE SHORTAGE IS THE SEMAM IS NOT AUTHORIZED TO

PAY THE PRICE WHICH THAI SELLERS, 85 PERCENT OF 1973 SUPPLY, ASK. BUT UNVERIFIED REPORTS INDICATE MIDDLEMEN REPLACED BY SEMAM CONTINUE TO CONTROL THE SUPPLY AND ARE TRYING TO RE-ESTABLISH THEMSELVES. IN REACTION TO SHORTAGE, SOTH PHETRASY ON JUNE 24 NOTIFIED ALL PROVINCE GOVERNORS THAT SEMAM IS SENDING SWINE BUYERS THROUGHOUT THE COUNTRY AND HE HAS REQUESTED GOVERNORS' ASSISTANCE. THE DETAILS OF THIS MARKETING PLAN ARE NOT AVAILABLE. RECENT VIENTIANE MARKET SURVEY INDICATED LITTLE PORK FOR SALE WITH PRICES 500 KIP PER KILO (38 PERCENT) ABOVE CEILING AND POLICE MAKING NO EFFORT TO ENFORCE PRICE CONTROLS.

4. TWELVE ITEMS ON THE USAID SURVEY OF 32 SELECTED IMPORTS SHOWED INCREASED PRICE DURING JUNE. INCLUDED WAS DIESEL REQUIRED TO PAY FTT SINCE JUNE 27 CAUSING RETAIL PRICE TO MOVE FROM 106 KIP PER LITER TO 136 KIP.

5. EXPORT OF LOGS FROM VIENTIANE STOPPED AS OF JULY 1 ALTHOUGH SAWED LUMBER CONTINUED OUT AT THE RATE OF ABOUT 240 CUBIC METERS PER DAY. WITH SIMILAR REPORT FROM SAVANNAKHET WE ASSUME RLG CUSTOMS REACTED LIKEWISE THROUGHOUT LAOS. VIENTIANE POST JUNE 28 REPORTED STATEMENT OF DIRECTOR FORESTS AND WATERS THAT FORESTS SERVES AS THE BASE FOR REDRESSING THE NATIONAL ECONOMY AND GOVERNMENT MUST STOP ITS DESTRUCTION BY SLASH-AND-BURN AGRICULTURE AND INDISCRIMINATE LOGGING.

6. USAID DIR SIGNED USG LOAN AGREEMENT OF \$5 MILLION FOR NAM NGUM II JUNE 28. JAPANESE NAM NGUM II LOAN (3.18 BILLION YEN) SIGNED JUNE 26 IN TOKYO.

7. DECONTROL FOLLOWING 7/3/75.
WHITEHOUSE

LIMITED OFFICIAL USE

NNN

Message Attributes

Automatic Decaptioning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: ECONOMIC CONDITIONS, REPORTS
Control Number: n/a
Copy: SINGLE
Draft Date: 03 JUL 1974
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Authority: shawdg
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 28 MAY 2004
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1974VIENTI05198
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Film Number: D740176-0584
From: VIENTIANE
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1974/newtext/t19740775/aaaacmnn.tel
Line Count: 92
Locator: TEXT ON-LINE, ON MICROFILM
Office: ACTION EA
Original Classification: LIMITED OFFICIAL USE
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 2
Previous Channel Indicators:
Previous Classification: LIMITED OFFICIAL USE
Previous Handling Restrictions: n/a
Reference: n/a
Review Action: RELEASED, APPROVED
Review Authority: shawdg
Review Comment: n/a
Review Content Flags:
Review Date: 30 JUL 2002
Review Event:
Review Exemptions: n/a
Review History: RELEASED <30 JUL 2002 by elyme>; APPROVED <20 FEB 2003 by shawdg>
Review Markings:

Declassified/Released
US Department of State
EO Systematic Review
30 JUN 2005

Review Media Identifier:
Review Referrals: n/a
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
Status: NATIVE
Subject: WEEKLY ECONOMIC SITUATION REPORT: JUNE 26 - JULY 2, 1974
TAGS: ECON, LA
To: STATE
Type: TE
Markings: Declassified/Released US Department of State EO Systematic Review 30 JUN 2005